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RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY  
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY  
RUEKJCS/SECDEF WASHINGTON DC PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY  
RUEKJCS/JOINT STAFF WASHDC PRIORITY  
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C O N F I D E N T I A L THE HAGUE 000896

SIPDIS

STATE FOR ISN/CB, VCI/CCA, L/NPV, IO/MPR,  
SECDEF FOR OSD/GSA/CN,CP>  
JOINT STAFF FOR DD PMA-A FOR WTC  
COMMERCE FOR BIS (ROBERTS AND DENYER)  
NSC FOR FLY  
WINPAC FOR WALTER

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TAGS: [PARM](#) [PREL](#) [CWC](#)

SUBJECT: CWC: DISCUSSION WITH LIBYA ON DESTRUCTION AND  
CONVERSION

Classified By: Ambassador Eric M. Javits for reasons 1.4 (B) and (D)

This is CWC-50-08

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SUMMARY  
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¶1. (U) On October 16, Delreps met with Dr. Hesnawy (from the Libyan National Authority) and Mr. Gheton (Libyan Representative to the OPCW) to discuss the status of and issues related to proliferation sensitive equipment, progress on the Rabta CW Destruction Facility progress on the Rabta CW Production Facility conversion, and the Nuclear and Chemical Defense School at Tajura. Jim McGilly and Chris Rampling of the UK also participated.

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PROLIFERATION SENSITIVE EQUIPMENT  
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¶2. (C - Rel UK) Hesnawy said that all proliferation sensitive equipment (e.g. AG export controlled equipment such as glass lined reactors, graphite heat exchangers, sealed valves, etc.) itemized by type, name plate number, size, and materials of construction on lists provided in 2004 through the Trilateral Steering and Cooperation Committee (TSCC) is in storage. He assured Delreps that all the equipment is accounted for and none is missing. The equipment is now designated for use in a new project planned for the Rabta site, which will consist of one or two "Medical Manufacturing Company" factories for the production of active pharmaceutical ingredients (API) with a combined production capacity of 250-300 MT per year. The Libyans prefer one rather than two facilities, but what will be built will be decided by negotiations now underway with three potential partners: Pfizer International Ltd, an Omani API manufacturer and an Indian API manufacturer. The venture will be 67% Libyan owned. The possibility of non-Libyan employees at the facility is still not clear, although Hesnawy mentioned the fact that

Indian labor is often the cheapest (in reference to the Omani company). Hesnawy also mentioned Egyptian and Syrian involvement in the Omani company, although not necessarily this project.

13. (C - Rel UK) Hesnawy expects that 100% of the proliferation sensitive equipment will be used in the facilities. Construction may begin in 2009. Timing of the transfer of the equipment to the new facility is uncertain, as building plans will require approval by various agencies to ensure compliance with pharmaceutical good manufacturing practices (GMP). Hesnawy commented that even after construction is complete and the facility is commissioned, a number of permits will be required from within Libya and from national and international agencies (e.g. U.S. FDA, WHO, etc.). He also noted that the drivers for Pfizer involvement were its desire to cease its operations in China due to quality issues and favorable energy costs afforded in Libya. Possible products were mentioned including antihypertensive agents and pain-killers. The Libyans do not intend to inform their prospective partners about the origins of the equipment, which was originally procured as a part of the CW program.

14. (C - Rel UK) Hesnawy said the equipment would be accounted for at two stages: when it is removed from storage and when it is installed. Removals and installation will be noted on spread sheets based on the lists noted above, which Hesnawy committed to provide periodically to the U.S. and the UK. He also

agreed that the U.S. and UK could visit at any stage in the Medical Manufacturing Company construction and operation.

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RABTA CHEMICAL WEAPONS DESTRUCTION FACILITY  
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15. (SBU) The Rabta Chemical Weapons Destruction Facility (CWDF) project is well underway. The project is being managed by Hesnawy and responsibility is divided between Libyan contractors and SIPSA Engineering, an Italian firm. The latter entity is producing the unit operation equipment which is prefabricated in Italy. Hesnawy confirmed that SIPSA has no project contract, but instead is being paid by "letter of intent" for each component as it is produced, which he feels gives Libya more leverage to ensure the firm adheres to the agreed timeline. He expressed disappointment and embarrassment at the failure of the other Italian firm contracted to do the Rabta conversion to meet the 29 July 2008 conversion deadline. Hesnawy said the destruction project has completed the basic engineering stage and is now in the detailed engineering phase.

16. (SBU) Some equipment is already available or under construction in Italy. This includes the rotary kiln which Hesnawy sees as the rate determining factor in the project schedule. To this end the construction of the kiln is a priority and already the special high temperature (800 degrees C) HCl resistant refractory bricks have been ordered from a firm in Germany. The refractory is sensitive and will be installed in the kiln in Libya to avoid damage in shipment. The ongoing detailed engineering includes the air monitoring alarm system which will use on-line GC monitoring to constantly track H levels in real time (Libya does not like S based sensing systems that typically yield false positives) and the redundant digital control system. Hesnawy referred to the procurement of sensors/detection equipment from OI Analyte, which he described as an American company with plants in Alabama and Texas. He also noted that issues of end user certification could complicate

this. It was not clear whether Hesnawy would therefore focus on procuring from a different source, or whether he would pursue purchase of OI Analyte equipment.

¶7. (U) Hesnawy emphasized that the H feed from the pump to the kiln would be via Swagelok connected metal tubing to a removable porthole cover. This will allow easy conversion of the kiln for incineration of H contaminated dunnage, plastic, containers with H heels, etc. Construction of the incineration and the hydrolysis systems will occur concurrently. He expects to commission the incineration system in January 2010 and it will be in full operation no later than April 2010. He expects the category 1 H to be destroyed well ahead of the 31 December 2010 deadline. Hesnawy gave no indication when the hydrolysis system for precursors would start up, but he expressed the opinion that precursor destruction would also be finished ahead of schedule (December 31, 2011).  
Q(December 31, 2011).

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CONVERSION OF THE FORMER CW PRODUCTION FACILITY AT  
RABTA  
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¶8. (SBU) Hesnawy said that the conversion schedule presented during the October 13 informals was conservative, and that he expected the last 20% of the conversion and commissioning to occur ahead of

the published schedule. He expects all civil engineering work (windows, floors, sanitary, utilities, etc.) to be completed by the end of 2008, but in any case no later than the end of January ¶2009. The mechanical installations in chemical processing areas (buildings 17 and 25) should be done by June-July 2009 with commissioning and permitting completed by September 2009 allowing production to begin.

¶9. (SBU) Hesnawy then turned to the Note by the Director-General: The Status of Completion of Conversion of Chemical Weapons Production Facilities (EC-54/DG.17). Hesnawy noted his displeasure at what he believed to be an inaccurate representation of the remaining items to be converted, explaining that most of the "2600" items reported were actually ordinary containers unassociated with the original CW production process. He also expressed Libya's concern that it had not been consulted prior to the Note's distribution, and that Libya was being singled out by the Note's suggestion that the information was provided to "facilitate the decision by States Parties on the appropriate measures to be applied in relation to the noted delays regarding this conversion," particularly when no such note was issued for Russian or Indian conversion delays. Hesnawy reiterated Libya's view that its notification of conversion delays to the Council in September 2007 (EC-50/NAT.5) demonstrated its transparency, and that the Secretariat had advised no further action was required. Delreps suggested that this was likely in response to inquiries by other delegations; the Libyan delegation said it had an appointment with the Director-General on Monday, October 20.

¶10. (SBU) DEL COMMENT: Delrep inquired privately with TS officials as to the reasoning behind and timing of this Note, which also came as a surprise to most delegations. CDB Branch Head Dominique Anelli indicated that the DG had directed the drafting and distribution of the Note (possibly against the advice of his staff) in response to pressure from one or two delegations. END COMMENT.

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NUCLEAR AND CHEMICAL DEFENSE SCHOOL  
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¶11. (U) Hesnawy said that he was unaware of the status of completion of the school in Tajura, as this was not something with which his department has been involved. He said he would look into the matter and let the Delegation know.

¶12. (U) Javits sends.

CULBERTSON